

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Ind & Com Dept. – Establishment of Hyderabad Economic City Project by M/s. Ras Al Khaimah, UAE through RAK Investment Authority (RAKIA) and the AP Industrial Infrastructure Corporation Limited (APIIC)– Appointment of APIIC as Nodal Agency for implementation of the project – Orders – Issued.

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INDUSTRIES & COMMERCE (INF) DEPARTMENT

G.O.Rt.No. 863

Dated: 24 -11-08.

Read the following:

1. From the Crown Prince & Deputy Ruler, Ras Al Khaimah, UAE, Fax, dt: 4.9.08.
2. Govt. Lr.No.12308/INF.A1/2008, dt. 6.9.08.
3. From the CEO, Govt. of Ras Al Khaimah, RAK Investment Authority, Lr.dt. 6.9.08.
4. Govt. Fax Message No. 12308/INF/A1/2008, dated: 12.9.08.
- 5.. From the C&MD, APIIC, Note No.1010/PM/IPU/APIIC/2008, dt. 7.11.08.

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O R D E R:

The Crown Prince & Deputy ruler, Ras Al Khaimah, UAE, in the letter 1<sup>st</sup> read above has expressed keen interest to participate in the development of Hyderabad Economic City Project along with Government of Andhra Pradesh to make the Hyderabad Economic City Project as a World class facility by utilizing International expertise. The Crown Prince has informed that the Government of Ras Al Khaimah is developing similar projects in the Emirates through its representative, RAK Investment Authority (RAKIA) and further informed that the Government of Ras Al Khaimah will stand guarantee for any of the commitments made by the RAK Investment Authority in the State of Andhra Pradesh.

2. The Chief Executive Officer, RAK Investment Authority, in the reference 2<sup>nd</sup> read above has furnished a draft MoU along with the details of the project i.e., the scope of the Integrated Economic City comprising inter alia, an Integrated Financial City and Integrated Health City and requested for allotment of land for the same.

3. The Chief Executive Officer, RAK Investment Authority has further informed that the Integrated Economic City would facilitate Financial Services, Banking, Insurance and Asset Management, Capital Market and Training, IT services, IT parks etc. in the Integrated Financial City and clinical and non-clinical services such as establishment of Hospitals, teaching hospitals, Medical centers, Diagnostic centers, Medical school, Research services etc., in the Integrated Health City.

4. The Chief Executive Officer, RAK Investment Authority has stated that the preliminary estimated investment in the Hyderabad Economic City project would be at Rs. 15,000/- to 18,000/- crores and will provide direct employment for more than 1.00 lakh persons and equal number of indirect employment on project completion.

5. As the Government of Ras Al Khaimah, UAE is promoting the project and keeping in view of the investments and employment opportunities proposed to be brought in the project, the Government have accepted the proposal and authorized the APIIC to sign the MoU with M/s. RAK Investment Authority in the reference 4<sup>th</sup> read above. Accordingly, the AP Industrial Infrastructure Corporation (APIIC) has signed the MoU with M/s. RAK Investment Authority on 15.9.08.

6. The Chairman & Managing Director, AP Industrial Infrastructure Corporation Limited, Hyderabad, in the reference 5<sup>th</sup> read above has requested Government to issue necessary orders for implementation of the project and also to enable the APIIC to initiate necessary action for alienation of the identified lands in Sultanpur and Ayilapur villages, Patancheru Mandal and Madhavaram village of Jinnaram Mandal, Medak District including the Deccan Infrastructure & Land Holdings Limited land of 163.00 acres in Madhavaram Village, Medak District.

p.t.o.

7. The Government after careful consideration of the request of the Chairman & Managing Director, AP Industrial Infrastructure Corporation Limited , Hyderabad, have issued the following orders :-

1. The APIIC is appointed as the Nodal Agency to extend all required support to M/s. RAK Investment Authority for speedy implementation of the project.
  2. The APIIC is permitted to file requisitions with the District Collector, Medak District for alienation of Government lands identified in Sultanpur, Ayilapur villages in Patan Cheru Mandal and Madhavaram village in Jinnaram Mandal of Medak District and handover possession of the same for the project towards Government/APIIC/Deccan Infrastructure & Land Holdings Limited Equity, duly fixing the value of the land, based on alienation cost etc.,
  3. The APIIC/Deccan Infrastructure & Land Holdings Limited are jointly allowed to hold on equity share capital of not less than 26% ( to be proportionate to the extent of land) as required under Companies Act, 1956, with a financial cap of Rs. 100 crores initially, which can be diluted/divested at a later date depending upon the implementation of the project.
  4. The APIIC is permitted to take up the proposal with the Deccan Infrastructure & Land Holdings Limited to transfer of 163.00 acres land in Madhavaram village of Medak District and also to finalize the issues relating to equity, co-promoters, etc.
  5. The APIIC is permitted to execute Collaboration Agreements, Shareholders agreement and other necessary documents with RAK Investment Authority or its SPV to be incorporated under the Companies Act, 1956 for the project.
  6. The Government has agreed to provide funds for the provision of external infrastructure ie., for water supply, power supply and roads from the IIDF to a tune of Rs.50.00 crores in a phased manner. The funds required to meet the expenditure on infrastructure facilities over and above the funds provided by the Government shall be borne by the SPV only.
  7. The APIIC shall submit separate proposals to Government to designating the APIIC-IALA for according statutory permissions and also on declaring the Hyderabad Economic City project as Mega Infrastructure project to have the reliefs/incentives etc., sought for by the company.
8. This order issues with the concurrence of Finance (Expr.I&C) Department., vide their U.O.No.11739/635/Expr.I&C/08 Dt: 19.11.2008  
(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION

To  
The Chairman & Managing Director,  
A.P. Industrial Infrastructure Corporation Limited,  
Basheerbagh, Hyderabad.  
The Chief Executive Officer,  
RAK Investment Authority, (RAKIA)  
P.O.Box No.31291, Ras ,Al Khaimah  
United Arab Emirates,  
Fax No. +97172447202/2447697  
The Collector& District Magistrate, Medak District.

Copy to:  
The Finance (Exp.I&C) Department

The Revenue (Assn.IV) Department  
The Housing Department  
The MA&UD Department.  
The Industries & Commerce (IP) Department  
The Managing Director,  
Deccan Infrastructure & Land Holdings Limited,  
Gruhakalpa, M.J.Road,  
Nampally, Hyderabad- 500 001.  
The Chairman & Managing Director, , HUDA, Hyderabad.  
The Principal Secretary to Chief Minister  
PS to Minister (Major Industries).  
PS to Chief Secretary  
PS to Principal Secretary to Government & CIP,  
Industries & Commerce Department.  
SF/SC

//FORWARDED;; BY ORDER//

SECTION OFFICER